

CITY OF MILPITAS  
CITY COUNCIL (FINANCE) SUBCOMMITTEE  
Wednesday, December 7, 2005, 4:00 p.m.  
455 E. Calaveras Blvd.

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I. CALL TO ORDER - Vice Mayor Gomez called the meeting to order at 4:00 pm

Attendance:

City Council: Vice-Mayor Armando Gomez, Council Member Debbie Giordano  
Staff: Emma Karlen, Jane Corpus, Clare Frank, Tom Williams, Keyvan Irranejad,  
Greg Armendariz, Carmen Valdez, Bill Marion, Steve Mattas, Richard Pio  
Roda

II. CITIZENS FORUM - None

III. APPROVAL of MINUTES: The November 2, 2005 minutes were reviewed and approved.

IV. ITEM FOR DISCUSSION

A. Battalion Chief Work Week

**Clare Frank, Fire Chief** – The assignment of Staff Battalion Chiefs for vacation coverage needs to meet FLSA requirements. Therefore, Clare is working with Human Resources and the Finance Department to resolve overtime issues. The department is continuing to work on a resolve for overtime usage, which should be completed by February 2006. For the month of December there will be slightly higher charges for overtime; however, the department should still be within their budget for this fiscal year.

B. Draft - Tenant Improvement Program

**Tom Williams, Planning Director** – Our objectives are to reduce red tape, minimize confusion for the applicant, improve communications with all departments and the public, provide outstanding customer service, and ensure timeliness and competitiveness. Time is of the essence when a developer wants to come into our city. The City needs to be clear and communicate the requirements to the applicant and not change the rules. The applicant needs to be able to understand the requirements up front.

Currently the City offers some expedited services: over-the-counter daily review (based on the project); base permits issued while the rest of the job is still in plan check such as for demolition; and perform evening, early morning and weekend inspections by special request.

The proposal today is to immediately improve the turnaround process for major tenant improvement projects by two weeks. The expedited process would be accomplished through a Tenant Improvement team to meet and review a tenant improvement together, no matter how large the project, with a one-week turnaround. We need to develop a comprehensive checklist in one document listing all departments' requirements.

Another area to work on is when the applicant may meet a code, but there may be a discretionary matter that goes beyond the code that we feel needs to be resolved in order to issue the permit. We need to determine at what level can we be reasonable at upholding the code and move forward to avoid confusion and time delay.

**Keyvan Irranejad, Chief Building Official** – Indicated that for certain tenant improvement projects the Building Department currently conducts a pre-submittal meeting with the applicant. When possible, a temporary permit may be issued. However, when there is exterior work involved, a temporary permit cannot be issued. He has recommended that the applicant split the project in two (exterior / interior work) in order to expedite the project. Our goal for every project is to have the complete packet and show the applicant how the process works.

**Greg Armendariz, City Engineer** - Stated that all of Engineering's checklists are on line, which a developer can download prior to coming to the City. However, we need to simplify the checklist so the applicant can see a single comprehensive list with all departments' checklists to save time and pressure.

C. Planning Process and Development Services Improvements

**Vice-Mayor Gomez** - Wanted an idea of some performance measures associated with the planning and development services process regarding how much industrial space is filled up and jobs brought in to the city by an applicant.

**Tom Williams, Planning Director** - Some determining factors are turn around time and our ability to attract business. Another measure of success is through customer surveys responses. We currently have 40% vacancy, and the market is starting to come back. A good benchmark is how much we are absorbing and to benchmark us against other cities on a relative scale.

We are developing our accountability of coverage at the counter to ensure customers' questions are answered. There is always an assigned planner on duty and back-up staff that can provide needed services. Breakdown in the process happens when: the expectations of the applicant are not met, there is misinformation, there is a change in use permits, there are discretionary issues, if a public hearing process is needed and if additional approvals are needed by the Planning Commission or another subcommittee.

Our recommendation is to amend the zoning code to empower staff to make decisions that would cut down the waiting time for the applicant on specific issues such as trash enclosures, roof screening or fencing. Another recommendation in the development and review process could be to have a planning director level or zoning administrator level hearing. Straightforward projects can go through this process, with safety measures that allows the authority of approval to be taken to the Planning Commission. About 80% of jurisdictions do have this level of review.

Additionally, the number of resubmittals from the applicant needs to be minimized to one or two. We would like to implement a development review committee whereby all involved departments would bring their draft comments to that meeting in the week

following a project submittal. There is a Permit Streamlining Act state law that requires us to respond to an applicant within 30 days, informing them that the application is complete or identify any insufficiencies.

The City needs to have one point of contact, specifically for discretionary permits, where the applicant can call to discuss their project. That project manager will set up any necessary meetings with staff. Typically that project manager is the project planner.

Tom recommended preparing a more comprehensive City of Milpitas Guide of the development review process for use beyond the standard checklists.

**Steve Mattas, City Attorney** – Highlighted that the arrangement of staffing a zoning administrator level is used in smaller municipalities as well as large. In the City of Milpitas we use subcommittees. By staffing a zoning administrator, this person could handle the least controversial projects and they could free up other personnel and eliminate hearings.

**Keyvan Irranejad, Chief Building Official** – A way to measure our success is to ask companies to rate us on our service compared to neighboring cities. The counter staff has a new program in place in order to cut the applicant's waiting time down so when people come to the counter their needs are immediately addressed.

**D. City Attorney Services – Policies and Practices**

**Steve Mattas, City Attorney** – Presented a cost comparison to staff an in-house legal service operation compared to the City's current out-source service. There are two staffing scenarios which includes 28% overhead:

1. Staff 2 attorneys, 1 paralegal and 1 secretary - annualized cost of \$574,440
2. Staff 3 attorneys and 1 secretary approach - annualized cost of \$637,000.

With either of these two scenarios, the City would still need to contract out large litigation matters and labor arbitrations.

After reviewing the cost comparisons, the City does appear to be on target with the current expense budget for attorney services. To help reduce legal costs, staff could first review the matter and determine if someone other than an attorney could handle it.

- **Steve will schedule a City Attorney Subcommittee meeting to review the progress over the year and also go over the budget goals.**

**E. Draft Temporary Employee Strategic Plan**

**Carmen Valdez, Acting HR Director** – The City of Milpitas has a large number of temporary employees to supplement regular staff. There is a 1,000 hour maximum per year temporary employees can work. When a temporary employee works beyond this limit, the PERS state law requires the City must enter them in the PERS retirement

program that is a higher cost to the City. Currently, temporary employee are entered in PARS retirement program where the City pays 1.5% contribution. Some employees are kept beyond the 1,000 hours because the department still needs the help and they are already trained.

There are three categories of temporary employees:

1. Temporary, benefited employees – The City Council adopted a resolution back in 1998 that provides fringe benefits and limited services for non-clerical temporary employees in Planning, Building and Engineering.
2. Temporary, full-time employees in regular classifications – There are 22 employees who have worked from 1 – 6 years.
3. Seasonal Temp Employees – working in Recreation, Police and Maintenance.

A rough estimate to make the 22 temporary, full-time positions permanent would range from \$150,000 - \$300,000 annually. We use temporary employees to help cover some of the City's 74 vacant positions.

- **Carmen will develop a plan addressing temporary employees for Council's review.**

F. Job Order Contracting

**Greg Armendariz, City Engineer** – Primarily within Public Works there is the need to establish and set up contracts ahead of time with fixed pricing instead of responding to emergencies as they occur. Engineering is in the process of setting up contractual documents for bid with a list of typical items of repair and will keep Council updated.

G. Monthly Reorganization Report

This matter is deleted from the agenda and will be directed to the Council.

H. Discussion – City Owned Vacant Properties – VTA site

**Greg Armendariz, City Engineer** – Tom Williams is in the process of getting an appraisal for that property which is in commercial/industrial zoning and is located close to the light rail. The estimated value is \$8 - \$9 million. The appraisal should be completed very soon, and the next step would be to market this parcel.

I. On-line Permitting

**Bill Marion, IS Director** – We will need to replace our current permitting system in order to get on-line permitting. Six vendors have replied to our RFP, and the replacement cost ranges from \$300,000 to \$500,000. With this new system it could help facilitate some of the reorganization to bring together Planning, Engineer, Fire and Building and have one place where the customer can access plan check status and conditions.

The cost to acquire and maintain the new system could possibly be amortized over a 5-year period. For cost recovery, it is estimated the impact it will have on fees may be around 3 %. The cost of our building fees is average compared to other cities; however, Engineering and Planning fees need to be reviewed.

- **Bill Marion will formalize the cost to replace our current permitting system and report back to Council.**

J. Modified Duty Program

**Carmen Valdez, Acting HR Director** – Indicated the City does not currently have a modified duty program. Some MOU's have language that indicates "light duty" can be provided. HR has requested departments to try to find some work to enable an employee to return to work instead of being out on disability. We will be working with unions to implement a permanent modified duty program

V. OTHER BUSINESS

None

VI. NEXT MEETING – Wednesday, January 4, 2005 at 4:00 pm

VII. ADJOURNMENT